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Held at Headquarters, New York, on Wednesday, 2 July 2008, at 9.30 a.m.

President: Mr. Mérorès ..... (Haiti)

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The meeting was called to order at 9.40 a.m.

(c) Annual ministerial review: Implementing the internationally agreed goals and commitments in regard to sustainable development (*continued*)

National voluntary presentations (E/2008/75, E/2008/81, E/2008/85, E/2008/89)

1. **The President** said that the 2008 annual ministerial review presented an opportunity to examine specific national policy successes as well as assess challenges that continued to hamper the achievement of the United Nations development agenda. National voluntary presentations could connect Council deliberations with implementation of goals and commitments on the ground. An online database called "Development strategies that work" had recently been launched and was now available on the Council's website. The database brought together the development policies and initiatives presented by countries during the national voluntary presentations, and would be updated annually.

2. He invited Mr. Hales, President of the College of the Atlantic, to act as moderator for the national voluntary presentations.

3. Some of the States which had volunteered to make presentations had asked to include statements by representatives of non-governmental organizations (NGOs). If there was no objection, he would take it that the Council wished to allow those representatives to participate in its work.

4. *It was so decided.*

Belgium (E/2008/81)

5. *At the invitation of the President, Ms. Le Dieu Anh (Member of the People's Committee of Ho Chi Minh City) took a place at the Council table.*

6. **Mr. Michel** (Minister for Development Cooperation, Belgium), making a PowerPoint® presentation, said that Belgium was committed to fulfilling its role within the United Nations system and strongly supported reform of the Council, which included the establishment of the annual ministerial review. Proactive participation was critical to the Council's multilateral work. Belgium particularly supported an integrated approach to development: economic and social development could not be realized independently of environment conservation measures. Likewise, Millennium Development Goal 7, "Ensure environmental sustainability", was relevant only in the context of the other Goals. Implementing such an approach nonetheless required trade-offs.

7. The Millennium Development Goals (MDGs) were an ideal basis for establishing solid development partnerships. Belgium reaffirmed its commitment to contribute 0.7 per cent of its gross domestic product to official development assistance by 2010 and emphasized that partnerships implied mutual responsibilities; thus, developing countries were responsible for incorporating MDGs into national policy.

8. Because Belgium was a federal State, decisions related to sustainable development were made at various levels. Implementation of internationally agreed goals and commitments therefore required elaborate consultation and coordination mechanisms, but such a system also meant that decision-making was more bottom-up than top-down. The consultation and coordination bodies in Belgium worked together to produce four-year federal plans for sustainable development. Belgium was one of the few countries to have defined the legal framework of its development cooperation, with sustainable human development as one of its primary objectives. Legislation of 2005 required the Government to report to parliament annually on its progress on the MDGs.

9. The Belgian Survival Fund, which aimed to ensure food security for the poor in Africa, combined the three components of sustainable development: focus on the human and social dimension of development; sustainable management of natural resources; and small-scale income-generating activities in rural areas. The Fund contributed to development in 21 countries, with total disbursement of $690 million.

10. Direct bilateral cooperation initiatives had been launched in 18 partner countries and covered six priority areas reflecting the urgency of MDG 7. The programme in Ho Chi Minh City was a good example of the challenges and opportunities involved in implementing an integrated approach to development. Belgium also supported international multilateral initiatives.

11. His Government had recently organized an international meeting on climate change and development. Expected follow-up recommendations

included the mainstreaming of climate change issues in Belgian-led international cooperation initiatives, the adaptation of each development project to the specific situation of partner countries, and further capacity-building.

12. Lessons learned from the implementation of MDG 7 included the importance of effective national planning, ownership by the beneficiaries of development initiatives, dialogue between those beneficiaries and the agencies responsible for carrying out such initiatives, and institution-building. It was critical to lead socio-economic and awareness-raising efforts in addition to sector-based initiatives. Finally, it was essential to create conditions that enabled the most vulnerable people to improve their quality of life themselves.

13. **Ms. Le Dieu Anh** (member of the People's Committee of Ho Chi Minh City), making a PowerPoint® presentation, said that a balance between social and economic development and environmental protection was necessary for sustainable development. Viet Nam was undergoing fast urban growth, which in turn had led to major pressure on the environment. Ho Chi Minh City, in particular, was faced with growing socio-economic inequalities, heavy pollution and poor urban management. The City had been chosen by Belgium for a bilateral cooperation project covering the period from 1998 to 2006 and costing $25 million. It had a holistic and participatory approach, with support from the highest city authorities and institutional capacity-building. The main components of the project were waste management, canal embankment and widening, housing for the poor, and promotion of social and economic activities.

14. Solid waste collection had been reorganized, with better equipment, awareness campaigns and more efficient routes, with the resulting household participation at 92 per cent, up from 60 per cent. The reorganization had been duplicated by the city authorities for 25 other sites. Wastewater had been treated effectively using technology that had low operating costs but required a large amount of land. The Tan Hoa-Lo Gom canal had been widened to facilitate the passage of boats and increase water flow, thereby limiting flooding, and a road and waterway had been built along the canal. The area's residents had been given several choices for relocation and offered loans to purchase or renovate housing.

15. In addition, infrastructure, including water and electric networks, and sewerage, had been improved; such measures had been duplicated by the city with loans from the International Development Association. Social and economic activities had been established according to participatory design and social workers had been hired as mediators to support the consultation process with the local community.

16. The project's innovative approach had disseminated new ideas among the local authorities and community and promoted capacity-building during implementation. Negative impacts had been limited, and the majority of solutions had reflected the requests of the local population. Delays had been caused by the complex decision-making process, the lack of a platform for dialogue between the residents, authorities and project leaders, and the fact that local regulations were not adapted to experimentation and pro-poor policy. While the project's participatory approach had been successful on the whole, the community had remained a beneficiary rather than a true actor in the process. Furthermore, there was no tradition of horizontal coordination between hierarchical local government departments. A strong political will would be needed to keep poor people close to the city centre and to jobs, and resettlement solutions must remain affordable for the city but also socially and financially acceptable to the poor. The active involvement of all interested parties, the strengthening of institutions and flexibility had all been key elements in the project's success.

17. **Mr. Le Luong Minh** (Observer for Viet Nam) asked what Belgium's rationale had been in making climate change and the environment top priorities in the Ho Chi Minh City project and other international cooperation initiatives. With regard to the Ho Chi Minh City project itself, he noted that an important factor of the project's success had been the horizontal coordination among agencies on the ground, with the continued financial and technical assistance of international partners. He wondered, however, how climate change mitigation and the population's livelihood would continue to be ensured.

18. **Mr. Michel** (Minister for Development Cooperation, Belgium) said that Belgium focused on environmental sustainability as a priority because the poorest countries were also the most vulnerable to the effects of climate change, despite not being responsible for climate change itself. Only a minute percentage of

development projects were tested for climate sensitivity. Yet, it was of the utmost importance for all projects to take into account climate change and sustainability.

19. **Ms. Le Dieu Anh** (member of the People's Committee of Ho Chi Minh City) said that one of the challenges had in fact been the lack of horizontal coordination because there was no such mechanism in place in Ho Chi Minh City. The City authorities had since recognized that weakness and had called for further coordination between the City and donors. She expressed the hope that the public administration reform project recently agreed between the United Nations Development Programme and the City authorities would help bring about changes in urban management and planning.

20. **Mr. Zainal Abidin** (Malaysia) asked how it was possible to reconcile the increased emphasis on climate change with Belgium's commitment to supporting the national development plans of its programme countries. As it was quite clear that no model existed for carbon-free development, he wondered how Belgium accounted for climate change issues in its cooperation initiatives. Finally, with regard to the food crisis, it had been widely recognized that one cause was the decimation of small rural holdings. How, then, did Belgium reconcile that fact with its continued support of European Union agricultural subsidies?

21. **Ms. Houngbedji** (Benin) welcomed Belgium's commitment to development cooperation, especially as the first member of the Organization for Economic Cooperation and Development (OECD) to make a national voluntary presentation. She wondered how it might be possible to persuade other OECD member States to become further involved in development initiatives. She also wished to know what challenges Belgium had encountered in its development projects in Africa, and the solutions found to deal with such challenges.

22. **Mr. Michel** (Minister for Development Cooperation, Belgium), responding to the questions put by Malaysia, said that the Belgian Government espoused the principles of partnership, co-ownership and mutual responsibility, in which dialogue and respect were key elements. A good example of the implementation of such principles was Belgium's forest management project in the Democratic Republic of the Congo, in which the local authorities had been actively involved from the start; Belgium consistently tried to achieve the same dynamics in all its development initiatives. Belgium continuously appealed to other members of OECD and the European Union to launch concrete development projects, rather than simply content themselves with a declaration of intent. Efforts to build farmers' capacity in the South must increase, especially in light of the current food crisis. The purchase of locally produced food was important in that connection.

23. Turning to the questions put by the representative of Benin, he said that it was crucial to remind other developed countries that, while it was important to improve efficiency of aid, that should not be used as an excuse to allow aid to stagnate. As far as those countries receiving aid were concerned, one of the major challenges was to help countries take ownership of programmes and to develop their own national strategies. It was essential to enable not just Governments, but society and individuals themselves, to take charge of their own destiny.

24. **Mr. Hales**, Moderator, said that he wondered, given the severe limitations for a low-carbon path in developing countries, what the role of donor countries should be in demonstrating and enabling low-carbon strategies for beneficiary countries.

25. **Mr. Michel** (Minister for Development Cooperation, Belgium) said that his Government consistently tried to ensure that its development projects had the lowest carbon impact possible. More generally, it was important to study how economies might be built in order to take account of climate change issues. Donor countries must set an example and innovation and research were fundamental in the process.

Chile (E/2008/75)

26. *At the invitation of the President, Mr. Moreno (Fundación para la Superación de la Pobreza) took a place at the Council table.*

27. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that the Millennium Declaration had obliged signatory countries to focus on achieving specific development goals within a given time frame. Chile's development strategy emphasized coordination between sustainable economic and social policies and the political order. Since the return to democracy in 1990, the successive Governments had

concentrated on improving the quality of life of the entire population in order to build a democratic, open and egalitarian society that ensured the rights of all citizens, based on the importance of economic growth to ensure sustainable social development.

28. As a result, Chile had achieved a financial stability and sustainability that allowed it to take advantage of the opportunities offered by globalization while protecting the national economy from the corresponding vulnerability and maintaining, and even increasing, social investment. Currently, two out of every three dollars of public spending was allocated to social investment.

29. Chile had a long record of developing social policies, especially in health and education. Since 1990, it had reduced the number of those living in poverty by a third, and halved infant mortality and maternal mortality rates, as well as the number of people suffering from malnutrition. Also, more than two thirds of those enrolled in higher education establishments belonged to the first generation in their families to have had access to that level of education.

30. Chile's social policies had changed from welfare programmes to social investment programmes focusing on all the needs of the individual in order to promote personal development and greater equality; regular monitoring of the actions undertaken had allowed pertinent adjustments to be made. Attention was currently being focused on priority groups such as children, the disabled, indigenous peoples, women and the elderly, with policies designed to respond to their specific needs.

31. Chile had introduced a change in its social policies in 2002, when it had created the Chile Solidario social protection system targeting families living in extreme poverty. The intersectoral programme was based on the maxim "to each according to his needs" and included personalized psychosocial support and social services for the poorest families, guaranteed subsidies and preferential access to existing social programmes.

32. Educational policies had strengthened efforts to deal with school dropout rates, teenage pregnancies and children who worked. It was currently obligatory for schools to ensure 12 years of schooling for all students and the State made a special contribution to schools so that they would retain vulnerable students.

33. Health indicators had improved since 1990 following the reinforcement of all levels of health care. At the same time, progress had been made in providing basic services to the whole population, including those living in rural communities.

34. The National Commission on the Environment had been created in 1994 as a coordination body, and an environmental law had subsequently been enacted. Widespread consensus existed that the Commission should focus on an approach that reconciled environmental protection with economic development in a context of social equity and public transparency. In 2008, the Ministry for the Environment had been established, together with a supervisory agency.

35. Chile had introduced widespread reforms and new policies to establish a social protection system with a focus on the rights of the individual. Breaking the poverty cycle entailed starting with children, and the comprehensive child protection system, Chile Crece Contigo, had been introduced seeking to protect children from the moment of conception.

36. Reforms had been introduced to provide a pension to those who had not been eligible previously or to supplement the lowest pensions and to create a voluntary pension fund. The reforms included specific measures to address gender inequalities, by giving women improved access to pensions and increasing the amounts. Incentives in the form of subsidies had also been provided to encourage the employment of young people. In addition, health care had been reformed to expand the social protection of the existing health system.

37. The principal challenges were to ensure a more equitable distribution of income and to reduce gender inequality, particularly in the workplace and in politics. Chile also needed to ensure that indigenous peoples occupied their rightful place in society. In addition, challenges remained in the area of health, education and housing.

38. Since 1993, Chile had implemented a South-South cooperation programme and had played an active role in United Nations peacekeeping missions, particularly in Haiti. It was also involved in the Initiative against Hunger and Poverty, implemented by the Governments of Brazil, Chile and France in 2004 and designed to identify innovative financing mechanisms to help countries achieve the MDGs. Chile itself had already achieved many of the goals and was

well placed to comply with all its commitments within the allotted time.

39. **Mr. Moreno** (Fundación para la Superación de la Pobreza) said that many of the objectives and goals had almost been achieved in 2000, owing to the systematic efforts made since the return to democracy in Chile. Nevertheless, progress towards the original goals needed to be reviewed, because some important challenges remained regarding, for example, the place of women in politics and the prevention of HIV/AIDS. Also, the social nature of environmental policies should be recognized, establishing a closer relationship between environmental goals and social objectives, since it was the poor who suffered most from the negative effects of development.

40. The number of people living in poverty had been greatly reduced in Chile and, in many cases, poverty could be considered a transitory phenomenon, strongly influenced by unemployment. That validated the development of a socio-economic policy designed to generate more and better employment, establishing different strategies for "hard poverty" and for transitory poverty. Education was another sector that presented major challenges related to quality and retention of students at the primary and secondary level. Civil society shared the Government's prioritization of preschool programmes and welcomed the recent implementation of the system for the comprehensive protection of childhood. Housing also played an important role in the generation and persistence of poverty, and one of the main challenges for that sector was to encourage social integration.

41. The report presented by Chile (E/2008/75) underscored the structure of the new social policies based on universal coverage and designed to promote equity and social integration. For example, the health reform guaranteed the right of all citizens to timely and quality health care. That approach should be exported to other sectors, such as housing, employment and income, and include greater consultation with those living in poverty.

42. The reforms had been constructed on the basis of solid cross-cutting financial and social agreements in order to ensure their political, institutional and financial sustainability. The complementarities between the MDGs and rights-based social policies were very clear; the former established the objectives and the latter the way to achieve them.

43. **Mr. Heller** (Observer for Mexico) said that Mexico was facing many of the situations and challenges described in the report presented by Chile and considered it very useful to know how the Government had tackled them. Throughout Latin America, Chile was recognized as one of the countries that had been most successful in implementing its development model and achieving economic growth in a context of sustainable monetary policies.

44. Nevertheless, as Chile had pointed out, inequality, vulnerability of small and medium-sized enterprises to fluctuations in the global economy, improvements in social welfare, health and education remained issues on which special efforts were still required.

45. Chile had made significant efforts to promote high standards of environmental protection, without repealing laws that made investment attractive. Mexico considered that the protection of a country's natural resources was essential for sustainable development and noted the establishment of a Ministry for the Environment in Chile, which showed that the issue had become a central focus of government policies. More and better information on the environment was needed in order to formulate sustainability indicators that allowed the sector's performance and the effectiveness of the relevant policies and programmes to be evaluated.

46. It would be interesting to have further information on the reform of the social welfare system, how its main components were interrelated, and how stakeholders were involved in its planning and implementation. It would also be useful to know about the principal lessons learned in the process, which could help other countries that were changing from a coverage-based to a rights-based system.

47. **Mr. Yáñez-Barnuevo** (Observer for Spain) said that the importance accorded to the development of human capital in the Chilean effort was significant. However, despite the encouraging figures for poverty reduction, as in the case of many middle-income countries, inequality remained a problem, together with the special vulnerability of some sectors of the population, such as women, the elderly, indigenous persons and the disabled.

48. In order for social reforms to prosper, a real social consensus was required, with the participation of civil society, non-governmental organizations and

academia, as had occurred in Chile. Social cohesion was a central element of Chile's partnership with the European Union and the Union's cooperation with Chile should be directed at supporting social and financial policies and public programmes designed to reduce inequality. In that regard, among the various initiatives implemented by Chile, the reform of the social welfare system was important because it included mechanisms targeting the most vulnerable sectors of the population. Horizontal approaches should be included when elaborating social plans and programmes, to ensure that the development goals in the area of empowerment of women, the needs of the indigenous peoples, institution-building and environmental issues were achieved universally.

49. Lastly, Spain considered that there were excellent opportunities for progress in combating inequality in the region using decentralized cooperation and the development of local and regional social policies, together with triangular cooperation and South-South cooperation

50. **Mr. Alvarez** (Uruguay) said that the strategies designed by the Governments of Chile and Uruguay to meet the principal challenges facing their countries were very similar. Preference should be given to policies designed to build a mutually supportive society that, in addition to reducing poverty, dealt with social destabilization factors that gave rise to inequalities such as unemployment, low incomes, and lack of access to health care and educational services. Such strategies were based on the ethical and political need for measures aimed initially at meeting basic needs, particularly those linked to food and health.

51. Although middle-income countries had achieved certain economic growth indicators, the negative factors that prevented them from developing sustained and sustainable growth were not being taken into account. In particular, globalization had increased poverty levels, inequality of income distribution and migration trends. The cooperation policy of the international financial institutions towards such middle-income countries needed to be redefined. Those countries had the potential to provide international cooperation, for instance by South-South cooperation and participation in peacekeeping activities in the hemisphere.

52. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that the Government's policy to establish a comprehensive social welfare system in Chile was the continuation of a long tradition of attention to the sector. Starting in the 1940s, Chile had greatly increased expenditure on health care and education. Then, in the 1970s and 1980s, Chileans had lost not only their political rights, but many of their social rights. Now it was again possible to design policies to reduce extreme poverty and vulnerability and the Government's principal initiatives were therefore directed towards the most vulnerable 40 per cent of the population.

53. Despite the progress made, there were still significant obstacles to overcoming inequality in income distribution. Nevertheless, Chile was convinced that it could reduce such inequalities with a development strategy that combined economic growth, democracy and programmes aimed at social investment. At the same time, the country was introducing policies to promote decent employment for all. A council on work and equity had been established recently to make recommendations on how to improve the situation. In addition, the President had made a commitment to introduce unemployment insurance during 2008 and to improve the lower incomes earned by the most vulnerable Chileans, such as women and young people, by means of subsidies.

54. Regarding South-South cooperation, Chile was contributing to a health initiative to obtain medicines for HIV/AIDS and tuberculosis. It was also involved in a project to overcome extreme poverty in Central America financed by the Inter-American Development Bank. In Africa, it had projects in Sierra Leone, South Africa and Algeria.

55. **Ms. Banks** (New Zealand) said that she wished to complement Chile on the progress it had made regarding gender equality and that she would be interested to know what lessons had been learned in the process of changing the approach to social policies.

56. **Mr. Soomro** (Pakistan) said that he was impressed by the comprehensive progress made by Chile.

57. **Ms. Quintana** (Minister of National Planning and Cooperation, Chile) said that Chile had been able to pursue rights-based social policies because of the improvement in its economic, social and political situation since the return to democracy. Previous social policies had been designed to mitigate extreme poverty; currently the focus was on vulnerability,

identifying priority groups. Attention was also being given to the provision of childcare to enable women to work and raise their children. The social welfare system had been developed in parallel with progress in decentralization and the transfer of decision-making to the local level, to ensure that social policies were adapted to the different regions.

58. **Mr. Hales**, Moderator, said that the report of Chile (E/2008/75) contained an articulate description of an expanded definition of economic security.

The meeting was suspended at 11.35 and resumed at 11.50.

United Kingdom (E/2008/85)

59. *At the invitation of the President, Ms. Arce Moreira (British Overseas NGOs for Development, Development and Environment Group) and Ms. Green (Progressio) took places at the Council table.*

60. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that his Government welcomed the Council's use of voluntary presentations; in an interdependent world, it was more important than ever for States to hold each other accountable and to share lessons learned.

61. More people had been lifted out of poverty in the 16 years since the United Nations Conference on Environment and Development than in any similar period of history. However, the world faced perilous challenges that could set the international community's efforts back by a decade; in particular, the threatened impact of climate change was far greater than had been realized.

62. Sustainable development began at home. While the United Kingdom was rightly proud of its key role in promoting achievement of the MDGs, it had a very large environmental footprint. Its per capita carbon emissions were nearly 100 times those of some low-income countries and twice those of many middle-income countries; it was a major consumer of luxury items, wood, water and newsprint and generated about 335 million tons of waste per year; and its environmental achievements of the past would stand for nothing unless tough decisions were taken in order to address those issues. In the coming months, Parliament was expected to enact legislation mandating a 60 per cent reduction in carbon emissions by 2050, making the United Kingdom the first State to do so, and the Government recognized that an 80 per cent reduction might be necessary.

63. Sustainable development required integrated solutions; United Kingdom policies on issues such as trade, migration and climate change might have a far greater impact on developing countries than its official development assistance (ODA) flows. Under the International Development Act, adopted in 2002, the Department for International Development was responsible for injecting development concerns into all government policies. The Act explicitly required the Department to focus only on the sustainable reduction of global poverty, not on the State's commercial or political interests. The Department managed trade policy jointly with the Business Enterprise Department, and the Secretary of State for Development chaired the Cabinet committee on trade with the goal of ensuring that trade negotiations had maximum benefit for the poor. The coming weeks were crucial to the success of the Doha Round and the United Kingdom was doing its utmost to achieve that goal.

64. There could be no sustainability without development; economic growth accounted for 80 per cent of all poverty reduction over the past 25 years, and any agreement that restricted developing countries' growth should be rejected. While economic growth could place additional strain on the environment, it could also enable solutions since rich people and societies were better equipped to deal with shocks than poor ones. Thus, development was the most effective way of building resilience to climate change. In 2008, his Government was establishing an International Growth Centre — a global network of specialists who would be available to help countries understand and address the constraints on growth and job creation — at a cost of US$ 80 million.

65. Much remained to be learned about the links between growth and the natural environment. The Department for International Development and the World Bank had supported an economic assessment of the contribution of natural resources to Ghana's growth, which had led to a long-standing involvement with the Ministry of Finance on the costs of environmental degradation. The United Kingdom also supported a major research programme on ecosystem services for poverty alleviation, which would help developing countries develop tools to assess the value of their ecosystems.

66. Giving information and rights to citizens and consumers could change the world; the United Kingdom was investing heavily in making information transparent and developing voluntary codes of conduct. Its Extractive Industries Transparency Initiative, initiated eight years previously, supported verification and publication of company payments and government revenues from oil, gas and mining in over 20 countries in order to give the people of natural-resource-rich economies a greater share of that wealth. He hoped that the General Assembly, with leadership from the Government of Azerbaijan, would recognize the importance of that work. His Government also supported initiatives such as the Fairtrade Foundation and stewardship councils. Recently, voluntary partnerships such as the Forest Law Enforcement, Governance and Trade Initiative were beginning to bear fruit; negotiations between the European Union and the Governments of Cameroon, Ghana, Indonesia and Malaysia were scheduled for completion by the end of 2008.

67. Unless climate change was addressed effectively, other efforts would be wasted; it was imperative to develop a successor agreement to the Kyoto Protocol by the end of 2009. The Department for International Development had reorganized and shifted its resources in order to inject a development perspective into the United Kingdom and European Union negotiating positions and to help developing countries design their own strategies. His Government was also investing US$ 200 million in research and capacity-building for developing countries in the areas of impact of climate change, costs of adaptation and mitigation and options for low carbon development; one such initiative was a US$ 50 million programme of support for African researchers working across national borders on adaptation issues.

68. The United Kingdom was also working towards a pro-development post-2012 agreement, which would need to involve an ambitious goal with credible near-term targets, fair and equitable sharing of greenhouse gas emissions with deeper absolute reductions by developed countries and measurable action by developing countries, a reformed carbon market in order to increase the impact of carbon finance for poor countries, support for technology development and transfer to benefit developing countries and support for developing countries' efforts to build resilience and adapt to climate change.

69. It was time to take water and sanitation seriously; the international community was barely on track to meet the water-related aspects of the MDGs and was off track in Africa, where 320 million people still had no access to an improved source of water. The cost of poor sanitation was enormous; 5,000 children died needlessly every day because of preventable diarrhoea, and economic losses attributable to lack of access to safe water and sanitation were estimated at US$ 14 billion per year (5 per cent of gross domestic product (GDP)) for Africa alone. The solution lay not only in engineering, but in behavioural and institutional change. The results in Bangladesh and Africa had been encouraging; the United Kingdom was working with partners such as the United Nations Children's Fund (UNICEF) and Water Aid and planned to increase its spending on water in Africa to US$ 400 million per year. However, more coherence in the provision of support was needed. His Government strongly supported what it called the "five ones": one global annual report, one global annual meeting to monitor progress and agree on sanctions, one national water and sanitation plan, one water and sanitation coordinating group at national level and one lead United Nations agency on water and sanitation in each country.

70. The international community had "dropped the ball" on agriculture and must pick it up again. Too little attention had been paid to the links between productive agriculture and the natural environment; three out of four people living on less than one dollar per day were rural dwellers. In a video message to the special meeting of the Council on the global food crisis, held in New York on 20 May 2008, the Prime Minister of the United Kingdom had called for a doubling of efforts to tackle hunger and agricultural development. At the Food and Agriculture Organization of the United Nations (FAO) High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy, held in Rome from 3 to 5 June 2008, his Government had proposed the creation of an international partnership for agriculture and food in order to double agricultural production in Africa, agricultural growth rates in Asia and funding for agricultural research. The United Kingdom was doubling its own support for agricultural research to US$ 800 million over the next five years. It worked closely with the Consultative Group on International Agricultural Research (CGIAR) and recommended that

its budget should also be doubled — to US$ 1 billion per year — and its structures reformed.

71. Without strong leadership, the international community's efforts would fail. One of the major conclusions of the Growth Report, recently issued by the Commission on Growth and Development was that, even more than had been understood, leadership was key to development. The commitments made at the 2002 International Conference on Financing for Development in Monterrey and the 2005 Group of Eight summit in Gleneagles must be honoured. His Government was fully committed to honouring its pledge to allocate 0.7 per cent of GDP to ODA by 2013, two years ahead of the European Union's target date. At the Third High Level Forum on Aid Effectiveness, to be held in Accra from 2 to 4 September 2008, it would commit to aligning its entire development effort to government plans in its partner countries and had signed 10-year partnership agreements, which provided long-term predictable financing, with countries such as Pakistan, Uganda, Yemen and Zambia.

72. **Mr. Matenje** (Malawi) said that he had noted with interest the United Kingdom's commitment to deliver on the promise, made in Gleneagles in 2005, to increase ODA to developing countries and help them achieve the MDGs. The United Kingdom's report, entitled "Implementing the internationally agreed goals and commitments in regard to sustainable development" (E/2008/85), emphasized sustained economic growth as the single most powerful means of lifting people out of poverty; that approach was in line with Malawi's Growth and Development Strategy for poverty reduction. The report also stressed the importance of transforming natural resources into economic growth and the links between that process and trade; his own country depended on trade in its agricultural products, in the form of both raw materials and finished products, to generate foreign exchange. However, such trade was hampered by inequalities between the developed and developing countries, and particularly by agricultural subsidies that prevented agricultural products from the developing countries from competing on the world market. It was clear from the report that the United Kingdom supported reform of the current international trade policy in order to support environmentally sustainable development; he wondered whether its Government was willing to work towards the removal of those subsidies and how it intended to balance economic growth and increased trade against environmental sustainability.

73. **Mr. Sorcar** (Observer for Bangladesh) recalled that his own country had made a national presentation at the 2007 annual ministerial review and expressed the hope that the practice of having both developed and developing countries make such presentations would be continued in the future. The United Kingdom representative's comments on the development issues raised by climate change were particularly relevant.

74. He appreciated the long-standing commitment of the United Kingdom Government to sustainable development at home and abroad; its progress in that regard showed demonstrable global leadership. He would like to know how the integrity of the three pillars of sustainable development — economic growth, social development and protection of the environment — was maintained in that Government's development assistance programme.

75. He hoped that other States would emulate the United Kingdom in its commitment to reaching the target of 0.7 per cent of GDP for ODA by 2013, two years ahead of the MDG targets, and wondered whether it had set any target for allocating between 0.15 and 0.20 per cent of gross national product (GNP) in ODA to the least developed countries as agreed in the Monterrey Consensus, the World Summit Outcome Document and the Brussels Programme of Action. It would be helpful if the representative of the United Kingdom could suggest ways of ensuring long-term predictability of aid and discuss the possibility of additional, new and innovative sources of development funding, especially for matters related to climate change. As a low-lying coastal State, Bangladesh was highly vulnerable to that problem. The United Kingdom was one of its largest development partners and he hoped that that partnership would intensify in the future.

76. **Mr. Cuco** (Mozambique) said that economic and social development and environmental sustainability were at the top of the international community's agenda and should be treated holistically. The United Kingdom was one of Mozambique's largest development partners, providing direct budget support; that approach allowed it to help recipient governments manage their budgets in the best way without specifying how the funding should be allocated.

77. He agreed that the international community had "dropped the ball" on agriculture; in recent years, most developing countries had focused on other important aspects of development. Despite its constraints, Mozambique's economic performance for the previous year had been relatively good, but its investment in agriculture had been negligible and the current food crisis showed that more attention should have been paid to that sector. His Government was working to meet the needs of its people. He hoped that other governments would follow the United Kingdom example by meeting their commitments, including those made at the High-Level Conference held in Rome in June 2008, and wondered whether the United Kingdom had any other measures to propose in order to help the most vulnerable States, particularly those which were not oil producers, to cope with the global food crisis. Lastly, he stressed that assistance plans should be implemented according to the specific needs of each of the least developed countries.

78. **Mr. Steer** (Director-General, Department for International Development, United Kingdom), replying to the representative of Malawi, said that his Government was willing to help reform agricultural subsidies and to monitor their impact. At the twelfth meeting of the Council, in his keynote address on the theme "Achieving sustainable development", Lord Stern of Brentford had suggested ways of balancing growth with environmental sustainability; his own Department worked closely with the Stern Review team. By allocating 1 per cent of their national income to the reduction of greenhouse gas emissions, countries could save 5 to 10 per cent of that income over the next 30 to 40 years. New technical developments would doubtless open possibilities for environmental sustainability in the future. Further study was needed in order to ensure that low-income States did not suffer from the effort to lower their carbon emission levels.

79. In response to the representative of Bangladesh, he explained that his Government was already allocating 0.16 per cent of national income to ODA and hoped to further increase that percentage in the future; its policy was to devote 90 per cent of its bilateral assistance to low-income countries. By contrast, ODA from countries members of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) averaged only 0.08 per cent of national income.

80. The United Kingdom strongly supported the climate change Adaptation Fund, financed with a 2 per cent tax on transactions under the Kyoto Clean Development Mechanism. In the long term, however, additional funding sources would be needed and carbon auctions offered one possibility. His Government tried to maintain the integrity of the three pillars of sustainable development by using multisectoral teams that included not only economists, but also specialists in cultural and other aspects of development.

81. Direct budget support worked well in countries which, like Mozambique, had a clear plan in place. Even if it was thus impossible to fully identify the uses made of the funding, but his Government believed, in the spirit of the Paris Declaration on Aid Effectiveness, that it was better to strengthen national mechanisms rather than establishing a parallel system that undermined them. Similarly, agricultural programmes should be country-led; governments must first decide what they wanted to do and then request assistance as needed. An international accountability mechanism should be put in place to identify States in need and ensure that funding was provided.

82. Lastly, he recalled that 20 years previously, donors had allocated 17 per cent of ODA to agricultural projects; at present, only 2 to 3 per cent was allocated to that sector. Africa, in particular, needed to greatly increase its focus on agriculture.

83. **Ms. Arce Moreira** (British Overseas NGOs for Development, Development and Environment Group) said that, in the United Kingdom, NGO networks had a constructive relationship with the Government and monitored its initiatives and processes in order to ensure that they took the needs of poor people and the environment into account.

84. The poor, who often depended directly on natural resources and ecosystems for their basic needs and livelihoods, were directly affected by the environmental degradation caused by climate change. According to the Millennium Ecosystem Assessment, 15 of the 24 essential services were being used unsustainably. Fundamental concerns such as biodiversity loss, natural resource degradation and desertification were being addressed only in the context of climate change, and there was a risk that less attention would be paid to the relevant environmental agreements.

85. Unquestioning faith in the macroeconomic growth paradigm as a solution to poverty was incompatible with recognition of unsustainable consumption and the realization that there was an environmental limit to growth. Emphasizing economic growth without addressing the serious issues of social and environmental justice would not have a substantial impact on poverty eradication or environmental sustainability. She hoped that the United Kingdom would work with NGOs in seeking new solutions to the increasing inequalities in Latin America.

86. The urgency of addressing climate change should not prevent the international community from internalizing the lessons learned from decades of development practice. Inclusiveness, gender responsiveness, accountability, appropriateness of solutions and time were too often ignored in favour of technological "quick fixes", often without proper assessment of their social and environmental impact on the poor; a recent example was the biofuel targets established by developed countries. Proposed solutions should be socially and environmentally accountable, not simply good business opportunities.

87. New sources of financing were needed, but those flows must contribute to social equality and environmental sustainability through transformed global environmental governance. Powerful actors such as the World Bank should transform radically in response to the challenges of poverty and the environment and should give developing countries a voice in new initiatives at an early stage. The United Kingdom Environmental Transformation Fund provided a good opportunity to develop broader international alliances at the level of civil society in order to monitor the impact of such climate investment funds on poverty and the environment.

88. **Ms. Green** (Progressio) said that 2005 had been a pivotal year for development; the United Kingdom Government and civil society had placed poverty at the centre of the political agenda. Three years later, however, the urgency of climate change and the global food crisis had weakened many of the international agreements. As the previous speaker had noted, that crisis was a symptom of deeper problems arising from an economic development model that pushed intensive, export-led agriculture on countries of the South in order to satisfy the North's demands at the expense of food security and environmental sustainability for the poorest communities. It was becoming increasingly important to manage natural resources, particularly water and biodiversity, sustainably.

89. She realized that the economy of her own country, the United Kingdom, was part of the problem and looked to her Government to take the lead in challenging unjust structures, learning from its failures and facing up to its responsibilities. It was time for a new vision of development, including a people-centred food system that allowed the needs of small-scale farmers and consumers to be met. Northern consumers must realize the impact of their choices on poor communities and make the necessary changes, while governments must move beyond short-term technological solutions to address the root causes of the crisis and restructure global systems and institutions to give poor people a system capable of withstanding economic and environmental shocks.

90. **Mr. Hales**, Moderator, asked the panellists to discuss the issue of mutual accountability among donors and to explain whether they thought donors should encourage each other to meet and increase their commitments.

91. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that during the coming year, the wealthy States needed to agree on policies that would benefit all countries. He did not think that donor-on-donor pressure was a very interesting approach, although the OECD Development Assistance Committee programme reviews were helpful. It was most important to ensure the overall coherence of attempts to address the situation. The Center for Global Development and other NGOs assessed developed countries' impact on the developing world.

92. Serious commitments should be made soon in preparation for the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen in 2009.

93. **Mr. Zainal Abidin** (Malaysia) asked whether the United Kingdom was on track to meet its commitments for the period 2008 to 2012 and, if not, what obstacles it had identified and what it was doing to overcome them. In addressing the crises of food, fuel and climate change, direct government intervention was required in the areas of technology and infrastructure. In that regard, a market-oriented approach would be insufficient.

94. **Mr. Ashe** (Observer for Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that many of the points raised in the presentation echoed the concerns of developing countries; the question was how to move forward. In speaking of the Doha Round, the representative of the United Kingdom had seemed to be referring to the discussions on international trade. However, the Group of 77 and China was also very interested in preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha from 29 November to 2 December 2008.

95. The current crises made it necessary to expand ODA far beyond the normally recognized development targets, particularly in the case of the least developed countries. The international financial institutions, which had a great impact on the policies of developing countries, should be involved in that process. He wondered what could be done to modify the international financial infrastructure within a reasonable time period, with a view to greater coherence in meeting the MDGs and the other challenges faced by the developing world.

96. **Mr. Gebreel** (Observer for the Libyan Arab Jamahiriya) said that the discussion had not given enough attention to the deep-rooted structural reasons for the serious problems facing the international community. Stressing the importance of training and know-how in building vibrant economies, he said that the acquisition of knowledge had helped some developing countries to improve their economies and increase competitiveness. Multinational companies had increasingly resorted to the use of high technology, and policies had been modernized since the turn of the century. The current global economic problems would not have come as a surprise had the international community been more attentive to the warning signs and anticipated events. There must be ample preparation for future challenges posed by the expansion of the world population. A better understanding of the problems and their solutions was therefore crucial. The entire international community must mobilize know-how and technology to face those challenges.

97. **Mr. Steer** (Director-General, Department for International Development, United Kingdom) said that the United Kingdom had met its 2008-2012 targets with respect to carbon emissions and would do its utmost to stay on track. Furthermore, the Government would continue investing in the Consultative Group on International Agricultural Research, which provided open access to seeds and technologies that were not owned by large corporations. He also said that Governments could play a role in promoting technology, citing the example of antiretroviral drug prices that had fallen to below $100 from $600 only five years earlier. Such progress was possible only because innovation and other interesting ideas such as advance market commitments had been encouraged.

98. With regard to the Doha Round, his comments had pertained largely to the first meeting; however, the opportunity for follow-up on the Monterrey process to be provided by the 2008 Review Conference would be equally important. While noting the important issues raised concerning the structural causes of economic problems and the reaction to the effects of globalization, he cautioned that the real facts should not be ignored and that both sides of the discussion should be considered. In that vein, he said that Africa had experienced an unprecedented average growth rate of 6.5 per cent, due largely to good leadership and sound policies, along with recognition of the importance of trade.

99. **Ms. Green** (Progressio) said that the proportion of benefits accruing to the poorest sectors of societies had actually shrunk, and increasing resources were needed to lift them out of destitution.

100. **Ms. Arce Moreira** (British Overseas NGOs for Development, Development and Environment Group) said that the discussion on poverty and growth could often be reduced to the redistribution of benefits, and that growth itself was not necessarily the issue.

United Republic of Tanzania (E/2008/89)

101. **Mr. Msola** (Observer for the United Republic of Tanzania) said that, when his country gained its independence 47 years earlier, the Government had identified illiteracy, poverty and disease as three areas of priority. The implementation of programmes within the context of the MDGs was therefore a natural continuation of the quest for full social and economic development. The Goals had been pursued within the framework of two long-term Visions for Tanzania and Zanzibar, both of which sought to improve quality of life, instil peace, security and unity, good governance

and the rule of law, and create a learned society and a strong and competitive economy.

102. After working on macroeconomic stabilization, the United Republic of Tanzania had begun to address poverty as a major policy concern in 1996, through a number of initiatives, but mainly by drafting a Poverty Reduction Strategy Paper and a plan to gain access to debt relief under the Heavily Indebted Poor Countries Debt Initiative (HIPC). The National Strategy for Growth and Reduction of Poverty had incorporated the internationally agreed development goals, including the MDGs, into domestic development policy and strategy. The National Development Strategy had been implemented on a sector-wide basis, through central and local government entities, and had included annual public expenditure review, budget support and decentralization by devolution policy. Progress in the implementation of the national strategy had been helped by the participation of stakeholders in policymaking and the poverty reduction strategy had been used as a guiding framework for the allocation of resources for development.

103. Detailing the key strategic successes relating to each Millennium Development Goal, he also described the challenges encountered, some of which had not been overcome. He took the opportunity to underscore his country's achievement of an average growth rate of 7 per cent, due to a robust programme of economic, governance and institutional reform. In general, although progress in building national capacity had been encouraging, greater effort was needed to address sectoral funding, income and regional disparities, labour market deficiencies, gender equality, maternal health care, and the threat of HIV/AIDS to the economy and health system. A participatory approach had been essential to the drafting of sensitive policies and strategies. Moreover, economic growth was a necessary, albeit not always sufficient, condition for poverty reduction in the medium term. The role of governance and accountability, as underlying conditions for growth and poverty reduction, had emerged as one of the lessons learned from implementation of the national strategies. It had also been instructive to grasp the importance of independently monitored mutual accountability, and his Government had become aware of the need for early consideration of an exit strategy from high levels of dependence.

104. In conclusion, he expressed confidence that his country would meet the MDGs for universal primary education, gender equality in education, child mortality, aid relationships, and water and sanitation. However, it was not likely to achieve its targets concerning extreme poverty and hunger, maternal mortality, environmental sustainability and decent and productive work. In future, it planned to adopt fiscal measures and resource costing to address its shortcomings. In strengthening development cooperation to enhance aid effectiveness, it would continue to implement the Joint Assistance Strategy for Tanzania to ensure adequate national capacity for effective external resource management and aid coordination. Continuity in the implementation of the new dialogue structure, enhanced aid predictability and promotion of the use of government systems would also be ensured.

105. **Mr. Staur** (Observer for Denmark) commended the United Republic of Tanzania for its sound poverty reduction policies and broad-based and growth-oriented poverty reduction strategy paper. Despite massive amounts of donor assistance and domestic revenue collection, there were still insufficient financial resources to fully implement the country's reform programmes. As a long-standing development partner of the United Republic of Tanzania, the Government of Denmark agreed that tax and non-tax revenue should be increased, but believed that tax reforms should be based on dialogue with all stakeholders, including the private sector.

106. With reference to the MDGs, he pointed out, that the high growth rate in the United Republic of Tanzania had favoured urban areas and had widened the gap between socio-economic groups. Results for the second Goal had been positive, with a remarkable increase in enrolment and gender parity in schools. The challenge was to provide marginalized children with opportunities for primary education and to raise the overall quality of education and teacher training. In general, gender equality and the empowerment of women had vastly improved, but traditions continued to diminish the role of women in business and their access and rights to credit and land ownership.

107. With regard to the health-related Goals, child mortality remained high, and local governments lacked staffing and resources to service the health sector. He therefore wondered what could be done to address that situation. Maternal health had not improved in 10

years: few births were attended by skilled personnel, and many births still occurred outside health facilities because of the combination of traditional medical systems, the low level of education in rural areas and the lack of sufficient health facilities. Concerted action in all areas was the only solution to that major challenge. He noted that, although the prevalence of HIV/AIDS was relatively low in the United Republic of Tanzania, a very large proportion of ODA targeted HIV/AIDS treatment or prevention. He was curious to know what kind of problems were anticipated in terms of resource allocation of aid in general, and for the health sector in particular. He also asked to what extent the systems in the health sector suffered from vertical intervention on HIV/AIDS.

108. He noted the country's heavy reliance on solid fuels, particularly charcoal, and the fact that scarce funding and ineffective management by the State-owned power company had undermined efforts to increase the coverage of the national grid. He therefore asked what plans had been established to create a more comprehensive national grid.

109. Approximately 40 per cent of all donor support to the United Republic of Tanzania was provided through general budget support; the Government enjoyed strong donor support for its reform process. Although the Government was committed to reducing its dependence on aid over the medium and long term, increased donor funding was nevertheless necessary to boost the initial takeoff in economic and social development. However, the country also needed stronger growth in private sector investment in order to benefit from the global increases in food prices and the opportunity to strengthen export earnings from the food sector. Another challenge was posed by the need to increase food production, which would also tax donor resources and require increased allocation of aid to agriculture, to a certain degree at the expense of the social sectors.

110. Overall, the United Republic of Tanzania had charted a good course. More attention should be given to the need to attract private sector investment in order to boost growth even further. In that context, a recent World Bank report showed that countries which had been able to sustain annual economic growth of at least 7 per cent for more than two decades had maintained a high level of domestic savings and had relied heavily on public investment. The same report had also stressed the importance of governance, leadership and maintenance of inclusive growth through the development and implementation of appropriate policies. He counted on the United Republic of Tanzania to derive further benefit from that insight, to keep on its present course, and thereby make meaningful advances towards achieving the MDGs.

111. **Mr. Rosengren** (Observer for Finland) said that the key areas of cooperation between the United Republic of Tanzania and Finland were forestry, regional policy, local government and good governance. The country's report (E/2008/89) gave a realistic and balanced overview of the situation. In view of the high average annual growth rate and stable political climate, the Government should be encouraged to set development goals even higher. In broadening economic growth to reach the poor and bridge regional differences, greater emphasis would have to be placed on developing agriculture and the private sector.

112. The United Republic of Tanzania had been a leader in managing aid relationships, but needed to strengthen the role of ownership as the cornerstone of the development of relationships with donors. Despite all the success in managing aid relationships, there was still need for improvement, with renewed impetus for cooperation.

113. Turning to the role of good governance in the achievement of the MDGs, he said that there had been recent positive developments in domestic accountability and its mechanisms. The role of the media and civil society, as well as transparency, had increased, and the debate on governance and accountability issues in the United Republic of Tanzania had been lively. The time was ripe for the country to make even greater strides in the area of good governance and he was confident that the Government would seize that opportunity.

114. **Mr. Talbot** (Guyana) said the presentation was well balanced. When he had visited the United Republic of Tanzania to observe its efforts in implementing the development strategy, he had been struck by the Government's sense of leadership and the country's relationship with the donor community through the Joint Assistance Strategy for Tanzania and other mechanisms. He asked the observer for the United Republic of Tanzania to comment on his country's experiences and lessons learned in the evolution of that relationship.

115. **Mr. Msola** (Observer for the United Republic of Tanzania) expressed his appreciation for the comments made by the speakers and for their understanding.

116. Having recognized the need to increase domestic revenue and undertake the necessary reform, his Government had embarked on initiatives in that regard. It had not abandoned its attempts to improve enrolment in primary education among the most marginalized groups, which included the nomadic population, in an effort to include all elements of Tanzanian society.

117. In tackling the remaining challenges, he mentioned some of the points raised, highlighting the importance of credit facilities for women, especially those working in rural areas as agricultural producers. Much attention would be given to improving infrastructure and access to health care, and on raising the level of education in order to address the critical issues of child and maternal mortality. In addition, the Government had acknowledged the need for further research into alternative sources of energy. A new approach to agriculture had been adopted and a national social protection framework was being developed to address vulnerable groups.

The meeting rose at 1.45 p.m.